



**DATE:** May 22, 2008

**TO:** CVRC Board of Directors

**VIA:** David R. Garcia, City Manager 

**FROM:** Eric Crockett, Assistant Director of Redevelopment and Housing 

**SUBJECT:** Proposed FY 2008-09 Redevelopment Agency and Housing Authority  
Operating and Capital Improvement Budget

---

**BACKGROUND:**

On June 10, 2008, the Office of Budget & Analysis and Finance Department will be presenting a comprehensive budget package to the City Council and Redevelopment Agency for Fiscal Year 2008-09. This report provides a summary of the key elements of the budget package that affect the operations of the CVRC and Redevelopment Agency that includes moving the remaining staffing costs for Redevelopment and Housing from the budget of the Community Development Department, which resides in the General Fund, to the Redevelopment Agency and Housing Authority budget.

This proposed change and others contained in the FY 2008-09 budget package are the direct result of many months of collaborative efforts by the Departments of Community Development, Finance, and Office of Budget & Analysis. The changes allow all redevelopment and housing activities to be placed under one budget, which can be more effectively managed by Redevelopment and Housing staff and will be more transparent to the public and decision makers.

The remainder of this report provides a summary description and explanation of the proposed FY 2008-09 Agency budget, which is included as Attachment "A" to this report.

**RECOMMENDATION:**

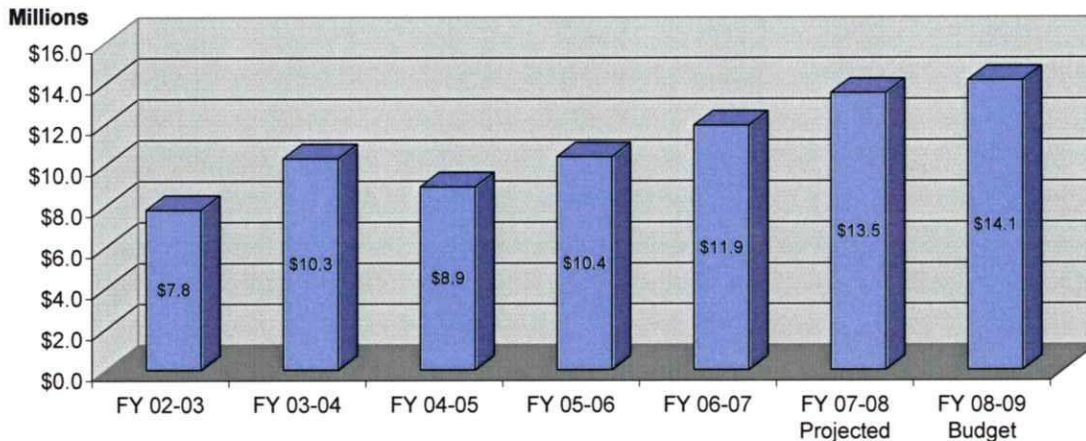
Staff recommends that:

The Chula Vista Redevelopment Corporation adopt the resolution recommending that the Chula Vista Redevelopment Agency adopt the proposed operating and capital improvement budget for the Redevelopment Agency and Housing Authority for Fiscal Year 2008-09.

**DISCUSSION:**

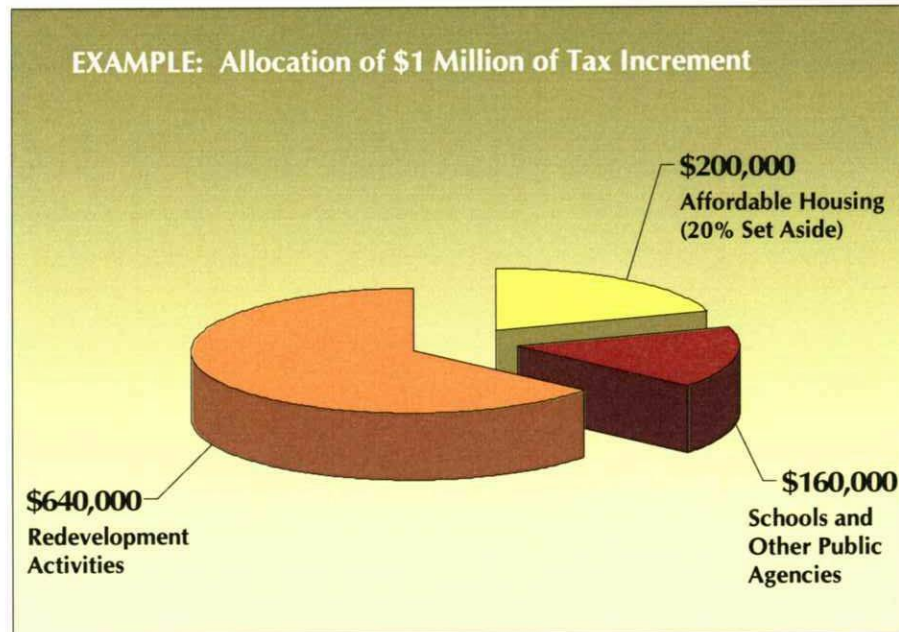
**Redevelopment Agency Revenues**

In accordance with California Redevelopment Law, a Redevelopment Agency obtains funding for its redevelopment projects through a property tax apportionment method called "tax increment financing." Tax increment is available for re-investment in the project area and may be used to pay off any debt created in implementing the Redevelopment Plan. Tax increment does not create new taxes; it simply redistributes the growth in the annual tax base within the project area. For FY 2008-09 the Agency estimates it will receive **\$14.1 million** in gross tax increment revenue.



All tax increment monies generated are allocated among three basic public uses: (1) Affordable Housing, (2) Schools and Other Public Agencies, and (3) Redevelopment Activities (debt, administration, development agreements and capital improvement projects.)

**Housing  
Funds  
California**



Redevelopment Law requires a Redevelopment Agency to set aside a minimum of 20 percent of all gross tax increment revenues generated within its Project Areas to a separate fund which is to be used exclusively for the preservation, improvement and expansion of the low and moderate income housing supply within the community. In FY 2008-09, the Agency projects the set aside amount to be approximately **\$2.7 million**. These funds will be used to implement and administer housing programs and projects.

During the Five Year Implementation Plan period, the Agency will concentrate on housing activities that are most applicable to the Agency's goals and objectives. In developing its affordable housing program, the Agency has been guided by the goals and objectives of the City's Housing Element and Implementation Plan. The Agency will utilize Low and Moderate Income Funds and Housing Authority resources to support and advance the overall housing program.

**Other Expenses**

Other expenses, as represented in the redevelopment and housing portions of the budget, include all pass-through payments to taxing agencies, development agreement obligations, city staff services and property tax administration fees (**\$0.1 million**) charged by the County totaling approximately **\$5.1 million** for FY 2008-09.

Schools and Other Public Agencies or Pass Through Payments

Pass through payments are required by state law to be made to taxing entities to ensure they are not negatively affected by a redevelopment plan. The taxing



entities, which receive payments, are the Sweetwater Union High School District, the County Office of Education, the Chula Vista Elementary School District, Southwestern Community College and the County of San Diego, totaling an estimated **\$3.5 million** in pass through payments for FY 2008-09.

#### Development Agreements

In addition to pass through payments, the agency has budgeted about **\$0.1 million** for obligations outlined in an agreement entered into in 1999 with the Goodrich Aero Structures Group (Relocation Agreement).

#### City Staff Services and Overhead

The City staff services and overhead represent expenditures for other city department staff services other than Redevelopment and Housing such as City Attorney, City Clerk, Human Resources, Planning, Engineering, Information Technology and building usage charges. The total estimated cost for these city staff services in FY 2008-09 is approximately **\$1.4 million**.

#### **Agency Personnel**

The fiscal year 2008-09 budget moves redevelopment and housing positions from the General Fund to the Agency budget. Budgeting the staff positions directly in the Agency budget allows staff to be directly charged to the funding source. Direct charges from other departments and a citywide overhead rate continue to be applied, but are reflected as a separate line item in the Agency budget (City Staff Service and Overhead, as described above). Although there are no overall reductions in costs to the Agency, these changes provide for a more transparent budget and makes it clear to the public and decision makers how redevelopment and housing dollars are being spent. The total personnel cost for fiscal year 2008-09 is approximately **\$1.8 million**.

#### **Services and Supplies**

To support the redevelopment and housing work programs, costs for services and supplies are estimated for FY 2008-09 at **\$0.8 million**.

#### **Capital Improvement Projects**

The Agency is allocating approximately **\$233,500** for two capital improvement projects that will include a Storefront Renovation Program (\$100,000) for businesses along Third Avenue and the replacement of parking meters also on Third Avenue (\$133,500). The funding for the parking meter replacement will be a loan from the Agency to the Parking Meter Fund in order to facilitate the meter replacement. The replacement of the meters is necessary in order to implement the increase in parking fees approved in December 2007. The loan will be repaid with interest as soon as Parking Meter Fund revenues allow.

### **Debt**

Usually, the flow of tax increment to the Agency is not sufficient to finance the full scope of redevelopment activities. Therefore, agencies issue bonds to capitalize the tax increment. The bonds work like loans that the Agency is responsible for repaying over many years. These bonds are not a debt of the City or County and are repaid solely from tax increment revenues. The Redevelopment Agency currently has about \$42.8 million in outstanding bonds. The total cost for debt service in FY 2008-09 will be approximately **\$4.6 million.**

### **CONCLUSION:**

The proposed annual budget has been prepared to provide the necessary funding within allowable revenues to accomplish the approved work plan for the Redevelopment Agency and Housing Authority. The comprehensive budget package allows all redevelopment and housing activities to be placed under one budget, which can be more effectively managed by Redevelopment and Housing staff and will be more transparent to the public and decision makers.

### **DECISION MAKER CONFLICTS:**

Staff has reviewed the property holdings of the CVRC Members and has found a conflict exists for Director Salas, as he has property holdings within 500 feet of the boundaries of the two Capital Improvement Projects being recommended for funding through this action.

### **ATTACHMENTS:**

1. Proposed 2008-09 Redevelopment Agency Budget

**PREPARED BY:** Phillip Davis, Assistant Director of Finance

## REDEVELOPMENT AGENCY FUNDS

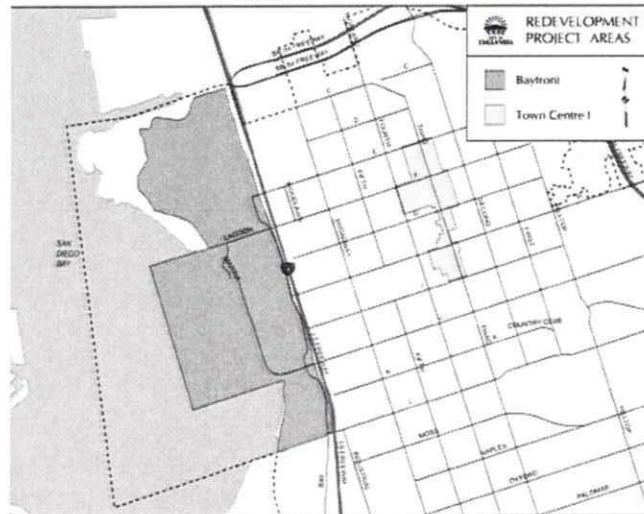
The Chula Vista Redevelopment Agency was created on October 24, 1972 by City Council Ordinance. The goals of the Redevelopment Agency are to reduce blight and to encourage new development, reconstruction, and rehabilitation of residential, commercial, industrial, and retail uses. Since the Agency's creation, the City has adopted and amended six project areas to encompass a total of approximately 3,563 acres of City territory. Current land uses within these areas are mostly commercial and industrial, but also include residential (primarily high and medium-high density) and public uses (e.g., governmental administrative centers, corporation yards, streets, etc.).

In 1979 and 2000, the City financially merged the various project areas into two primary configurations: (1) the Merged Bayfront/Town Centre I Redevelopment Project Area (1979) and (2) the Merged Chula Vista Redevelopment Project Area (2000). The merger of project areas allows the Agency to pool tax increment revenues generated in different project areas and leverage them appropriately to create benefit for the entire merged project area. The following provides a brief historical summary of the Agency's two merged project areas.



## MERGED BAYFRONT/TOWN CENTRE I PROJECT AREA

Following its creation in 1972, the Agency's initial focus and resources were dedicated to the City's waterfront and the historic downtown Third Avenue business corridor. On July 16, 1974, the City adopted the Bayfront Original Project Area, which encompassed approximately 637 acres of territory east of the mean high tide line.



Two years later, the City adopted the Town Centre I Project Area, encompassing approximately 138 acres of territory located along and around the downtown Third Avenue business corridor. In July 1979, the two project areas were consolidated into a single Merged Bayfront/Town Centre I Redevelopment Project Area to "pool" resources and issue bonds for financing redevelopment activities.

To help facilitate planning efforts along the waterfront, the City adopted the Bayfront Amended Project Area in 1998, adding approximately 398 acres of territory west of the mean high tide line to the Merged Bayfront/Town Centre I Project Area

## MERGED CHULA VISTA PROJECT AREA

As the City's population and economic growth expanded to the south and east during the next thirty years, the City incorporated additional urbanized territories to project areas to leverage expanding development trends to address growing housing and infrastructure needs.



The Town Centre II Original Project Area was adopted in 1978 and included the Chula Vista Shopping Center along with a number of commercial properties along the Broadway business corridor. In 1988, additional territory was added through adoption of the Town Centre II Amended Project Area.

In 1983, the City adopted the Otay Valley Project Area to capture and leverage revenues generated in the City's Auto Park Specific Plan areas. It encompasses 771-acres and contains light industrial, entertainment and large retail uses, including the Cricket Wireless Amphitheater, Knott's Soak City water park, the Chula Vista Auto Park and a 25-acre Chula Vista Public Works Center.

In 1985, the City annexed approximately 2,500 acres known as the Montgomery Area. The Southwest Project Area was established in 1990 to help address the area's historical infrastructure issues as an unincorporated County community. Additional territory was added to that area in 1991 through the adoption of the Southwest Amended Project Area. It is the largest project area at 1,050 acres, primarily featuring small family-run industrial and commercial uses, along with residential development.

In 2004, the City approved a new Project Area called the Added Area that includes approximately 494 acres of property that is generally contiguous to the other existing Project Areas and provides opportunities for increased collection of tax increment revenues. Expansion of the Project Area also enables the Agency to more consistently implement redevelopment projects in the majority of the commercially zoned areas in the western part of Chula Vista, particularly Broadway and Third Avenue where (in many areas) the Agency previously did not have redevelopment authority.

The RDA focuses on the development of sustainable neighborhoods through a variety of investments such as:

- Crime reduction through elimination of blight,
- Improve infrastructure and public facilities,
- Provide funds for valuable public services,
- Support small business and enhance job opportunities,
- Revive business districts and downtowns



## HOUSING SET ASIDE

In addition to the plans, activities, and projects just described in the redevelopment work programs, the facilitation and financing of affordable housing in the project areas is an important and mandatory function of redevelopment. As tax increment revenues are generated in redevelopment project areas, 20 percent of the gross revenue stream is immediately set aside and placed in the Low and Moderate Income Housing Fund. Those funds, pooled with other federal and state resources and tax credits, provide an important financing tool to assist in the development of income-restricted, affordable housing projects. Low and Moderate Income Housing Funds also provide important financing for:

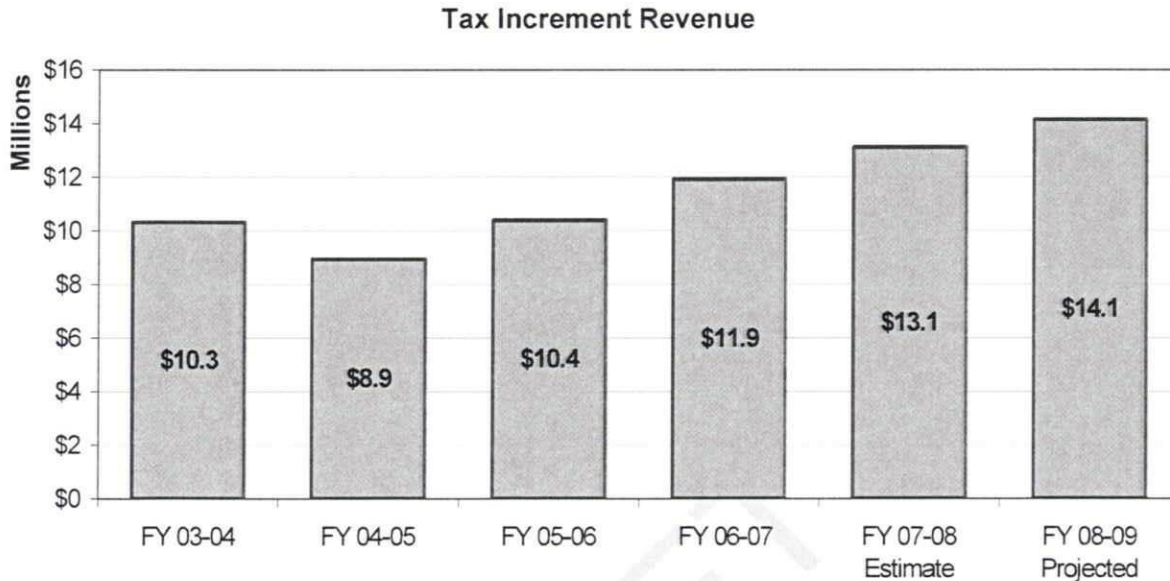
- Housing programs, including First Time Homebuyer
- Land purchases for affordable housing
- Rehabilitation of existing multifamily housing

Annual deposits into the Low and Moderate Housing Fund for the next five years are currently estimated to range from \$2.7 million in fiscal year 2008-09 to \$2.9 million in fiscal year 2012-13. Low and Moderate Housing Fund monies may be spent anywhere in the City of Chula Vista. To promote safe and sanitary affordable housing in western Chula Vista, however, the Agency should focus and prioritize these important resources within redevelopment project areas in neighborhoods of greatest need. The construction of new affordable housing within project areas is also required by statute. State redevelopment law contains an inclusionary housing requirement that provides that at least 15 percent of all new and substantially rehabilitated dwelling units developed within a redevelopment project area be available at affordable housing costs to, and occupied by, persons and families of low and moderate income (Health and Safety Code §33413(b)). Of this 15 percent, at least 60 percent must be available to low and moderate income persons or families. At least 40 percent must be available to very low income persons or families.

## RDA BUDGET SUMMARY

The Agency receives tax increment revenues resulting from increases in the assessed valuation within the redevelopment project areas over the base year assessed valuation.

Tax increment revenues (prior to pass throughs) for fiscal year 2008-09 are projected at \$14.1 million, an increase of \$1 million over fiscal year 2007-08 estimates.



Note 1: Tax Increment Revenues are reflected prior to pass throughs to other agencies.

Note 2: Fiscal year 2003-04 tax increment contained a one-time adjustment of Unitary Tax revenue of \$1.3 million related to the South Bay power plant.

The Agency budget is organized into two distinct groupings of funds. The groupings are Redevelopment Agency Project Area Funds and Tax Agreement and Debt Service Funds. The Project Area Funds are the primary operating funds for the Redevelopment Agency. The Tax Agreement and Debt Service funds are used to pay for Agency debt service on its outstanding Tax Allocation Bonds, Certificates of Participation and the Advances and other debt of the Agency. Also included in this group are funds to make payments for the negotiated tax agreements with the County of San Diego, County Office of Education, Sweetwater Unified High School District, Chula Vista Elementary School District and Southwestern Community College District.

## FUND DESCRIPTIONS

The Agency budget is organized into two distinct groupings of funds. The groupings are the Redevelopment Agency Project Area Funds and Tax Agreement /Debt Service Funds.

### Fund 611 and 651 Redevelopment Project Area Funds

The Project Area Funds are the primary operating funds for the Redevelopment Agency. This fund accounts for revenue received from tax increment within the redevelopment project areas and is used to fund operating expenditures, debt service, and Agency capital projects.

### Tax Agreement and Debt Service Funds

The Tax Agreement and Debt Service funds are used to pay for Agency debt service on its outstanding Tax Allocation Bonds, Certificates of Participation and the Advances and other debt of the Agency. Also included in this group are funds to make payments for the negotiated tax agreements with the County of San Diego, County Office of Education, Sweetwater Unified High School District, Chula Vista Elementary School District and Southwestern Community College District.

### Fund 689 – RDA 2000 Tax Allocation Bonds

This is the Redevelopment Agency 2000 Tax Allocation Bonds (Merged Redevelopment Project) in the amount of \$17,000,000. The Merged Redevelopment Project was created on August 22, 2000, pursuant to an amendment to the redevelopment plans for the three of the Agency's four existing redevelopment projects, the Town Centre II Project Area, the Otay Valley Project Area and the Southwest Project Area. The Bonds were issued to provide funds for the repayment of certain obligations of the Merged Redevelopment Project and other interfund loans, and for general redevelopment purposes. The term of the Bonds is through the year 2030.

### Fund 695 – 2006 Senior Tax Allocation Refunding Bonds, Series A

In July 2006, the Redevelopment Agency issued the 2006 Senior Tax Allocation Bonds, Series A in the amount of \$13,435,000 to refinance the Agency's outstanding Bayfront/Town Centre Redevelopment Project 1994 Senior Tax



Allocation Refunding Bonds Series A (the "1994 A Bonds). The original bonds were issued to finance improvements in the Bayfront/Town Centre Project Areas. The Annual Debt Service is paid from property tax increment generated in the project areas. The term of the bonds runs through 2027.

Fund 696 – 2006 Subordinate Tax Allocation Refunding Bonds, Series B

In July 2006, the Redevelopment Agency issued the 2006 Subordinate Tax Allocation Bonds, Series B in the amount of \$12,325,000 to refinance the Agency's outstanding Bayfront/Town Centre Redevelopment Project 1994 Senior Tax Allocation Refunding Bonds Series D (the "1994 D Bonds) and the 1994 Subordinate Tax Allocation Refunding Bonds, Series C (the 1994 C Bonds) The original bonds were issued to finance improvements in the Bayfront/Town Centre Project Areas. The Annual Debt Service is paid from property tax increment generated in the project areas. The term of the bonds runs through 2021.

Fund 693 – 2005 Taxable Revenue Bonds Series A – CRA/ERAF Loan Program

In April 2005, the Agency entered into a Loan Agreement with the California Statewide Communities Development Authority to borrow the amount of \$765,000. This amount was used to pay the Agency's portion of the 2005 Educational Revenue Augmentation Fund (ERAF) to the County of San Diego pursuant to Section 33681.12 of the California Health and Safety Code.

Fund 694 – 2006 Taxable Revenue Bonds Series A – CRA/ERAF Loan Program

In April 2006, the Agency entered into a Loan Agreement with the California Statewide Communities Development Authority to borrow the amount of \$930,000. This amount was used to pay the Agency's portion of the 2006 Educational Revenue Augmentation Fund (ERAF) to the County of San Diego pursuant to Section 33681.12 of the California Health and Safety Code.

# REDEVELOPMENT AGENCY

## MISSION STATEMENT

The mission of the Redevelopment Agency is to orchestrate the revitalization of declining neighborhoods, to attract new businesses to the area, and provide residents with open space, walkable neighborhoods, and affordable housing.

## SUMMARY OF DEPARTMENT RESOURCES

	2005-06 ACTUAL	2006-07 ACTUAL	2007-08 AMENDED	2008-09 PROPOSED
Personnel Services	\$244	\$61	\$792,609	\$989,894
Supplies and Services	\$577,611	\$521,206	\$507,987	\$519,103
Other Expenses	\$17,689,356	\$37,099,846	\$11,082,488	\$9,708,852
Utilities	\$5,495	\$3,335	\$1,413	\$1,300
Transfers Out	\$2,498,539	\$17,190,015	\$2,831,142	\$5,458,884
CIP Project Expenditures	\$904,519	\$172,420	\$2,000,000	\$233,500
<b>Expenditure Totals</b>	<b>\$21,675,764</b>	<b>\$54,986,883</b>	<b>\$17,215,639</b>	<b>\$16,911,533</b>
<b>Revenue Totals</b>	<b>\$11,856,834</b>	<b>\$52,133,190</b>	<b>\$15,404,208</b>	<b>\$15,506,533</b>
<b>Authorized Full Time Positions</b>	<b>0.00</b>	<b>1.00</b>	<b>6.00</b>	<b>10.00</b>
<b>Authorized Hourly Positions</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Note 1: Prior to fiscal year 2007-08, Redevelopment and Housing staff were included as part of the Community Development Department budget.

## ORGANIZATIONAL CHART

*Note: Department org charts pending*

# REDEVELOPMENT AGENCY

## STRATEGIC GOALS

### REVITALIZE WESTERN CHULA VISTA

- By fiscal year 2008-09, enter into five development agreements for the construction of new housing and retail space on property located along the Third Avenue corridor and the E Street Trolley Station adding 100 new units and 100,000 square footage of additional commercial and industrial space.

**Status:** Over the past three years, the Agency has entered into a number of Exclusive Negotiating Agreements (ENAs) with qualified developers. The timelines for the ENAs were aligned with the proposed dates of adoption of the General Plan Update and the Urban Core Specific Plan. The Urban Core Specific Plan unfortunately took much longer than originally anticipated. The delay coupled with a nationwide recession has proven problematic for many of the developers working with the Agency. As a result, of the thirteen ENAs executed, only the ENA with Wakeland Housing & Development Corporation was completed with the Los Vecinos project now under construction, and two ENAs remain active, Voyage LLC and Galaxy Commercial Holding Corporation.



# REDEVELOPMENT AGENCY

## LINE OF BUSINESS: REDEVELOPMENT

The purpose of the Redevelopment line of business is to provide leadership and support to the City's Redevelopment Agency in revitalizing adopted redevelopment project areas, with a special focus on reversing deteriorating economic and physical conditions; redeveloping blighted, underutilized, and vacant properties; improving infrastructure and public facilities; and producing revenues through the development of job generating properties.

## CORE SERVICES

- Acquire real property
- Build or improve roads, utilities, & public facilities
- Eliminate blight
- Preserve open spaces
- Revitalize waterfronts
- Stimulate private reinvestment
- Attract new jobs & business
- Create affordable housing
- New legislation/policy review
- Rehabilitate homes & businesses
- Specific plans
- Transform hazardous waste sites (brownfields) into productive uses

## RESOURCE SUMMARY

	2005-06 ACTUAL	2006-07 ACTUAL	2007-08 AMENDED	2008-09 PROPOSED
Personnel Services	\$244	\$61	\$792,609	\$989,894
Supplies and Services	\$569,045	\$518,606	\$493,987	\$504,103
Other Expenses	\$14,480,901	\$7,580,426	\$6,391,378	\$4,696,906
Utilities	\$5,495	\$3,335	\$1,413	\$1,300
Transfers Out	\$1,361,141	\$3,565,713	\$1,946,767	\$5,158,884
CIP Project Expenditures	\$904,519	\$172,420	\$2,000,000	\$233,500
<b>Expenditure Totals</b>	<b>\$17,321,345</b>	<b>\$11,840,561</b>	<b>\$11,626,154</b>	<b>\$11,584,587</b>
<b>Revenue Totals</b>	<b>\$8,929,562</b>	<b>\$8,197,710</b>	<b>\$11,219,723</b>	<b>\$11,584,587</b>
<b>Authorized Full Time Positions</b>	<b>0.00</b>	<b>1.00</b>	<b>6.00</b>	<b>10.00</b>
<b>Authorized Hourly Positions</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## MAJOR ACCOMPLISHMENTS

- Completed Gateway Phase II – creating more than 100,000 square feet of new commercial office space.

## REDEVELOPMENT AGENCY

- Completion of Parking Management Study.
- Submitted application for EPA Brownfield Assessment Grant.
- Awarded EPA Brownfield Assessment Grant (\$400,000).
- Extended the Letter of Intent with Gaylord Enterprises for a resort conference center on the Bayfront.
- Initiated Southwest Community Strengthening Strategies effort.
- Significant progress on completion of Parking Implementation Plan.
- Completed the transfer of the Rados property to BF Goodrich for expansion of their facility.
- Completed Gateway Phase II – creating more than 100,000 square feet of new commercial office space.

### KEY PERFORMANCE MEASURES

	2005-06 ACTUAL	2006-07 ACTUAL	2007-08 ESTIMATED	2008-09 PROJECTED
# of new housing units produced	N/A	N/A	0.00	0.00
# of public outreach and education meetings	N/A	N/A	175	150
\$ Tax Increment Revenue	N/A	N/A	\$13,100,000	\$13,500,000

# REDEVELOPMENT AGENCY

## LINE OF BUSINESS: DEBT SERVICE FUNDS

The purpose of the Debt Service Fund line of business is to account for debt related to the Redevelopment Agency used to finance a wide variety of projects; property tax increment revenues fund the tax allocation bonds.

## RESOURCE SUMMARY

	2005-06 ACTUAL	2006-07 ACTUAL	2007-08 AMENDED	2008-09 PROPOSED
Supplies and Services	\$8,566	\$2,600	\$14,000	\$15,000
Other Expenses	\$3,208,455	\$29,519,420	\$4,691,110	\$5,011,946
Transfers Out	\$1,137,398	\$13,624,302	\$884,375	\$300,000
<b>Expenditure Totals</b>	<b>\$4,354,419</b>	<b>\$43,146,322</b>	<b>\$5,589,485</b>	<b>\$5,326,946</b>
<b>Revenue Totals</b>	<b>\$2,927,272</b>	<b>\$43,935,480</b>	<b>\$4,184,485</b>	<b>\$3,921,946</b>
<b>Authorized Full Time Positions</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Authorized Hourly Positions</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## MAJOR ACCOMPLISHMENTS

- Refunded 1994 Senior Tax Allocation Refunding Bonds, Series A, C, and D saving the Agency approximately \$550,000 annually or approximately \$4.8 million over the remaining 20 years of the bonds.



## HOUSING AUTHORITY FUNDS

The Housing Authority was formed in 1993. A Housing Authority can provide tax-exempt bond financing, own and operate housing, and operate various housing programs. The Chula Vista Housing Authority does not own or operate housing, and the Section 8 rental assistance programs including Public Housing are operated in Chula Vista by the County of San Diego Housing Authority. The staff of the Housing Authority provides comprehensive housing services for the City.

The Housing Funds are comprised of the Chula Vista Housing Authority, Community Development Block Grant (CDBG) Housing Program Fund and Low and Moderate Housing Fund. The Chula Vista Housing Authority fund is the clearinghouse for all housing related staff activity. Personnel expenses are budgeted here, and are reimbursed by various other funds such as the Low and Moderate Income Housing Fund, and CDBG Fund. The City's CDBG Housing Program Fund includes costs for loans to low-income families for housing rehabilitation. The Low and Moderate Income Housing Fund accounts for a statutorily required 20 percent set-aside of tax increment revenue earned by the Agency for development of affordable housing. As tax increment revenues are generated in redevelopment project areas, 20 percent of the gross revenue stream is immediately set aside and placed in the Low and Moderate Income Housing Fund. Those funds, pooled with other federal and state resources and tax credits, provide an important financing tool to assist in the development of income-restricted, affordable housing projects.

The Housing Funds will receive \$900,000 in staff time reimbursements for administering the City's CDBG and HOME grants and for monitoring of bond covenants for affordable housing bonds issued by the City's Housing Authority.

The Housing Authority focuses on the development of sustainable neighborhoods through a variety of investments such as:

- Production of affordable housing and home ownership opportunities
- Revive business districts and downtowns
- Clean-up of contaminated properties
- Neighborhood beautification such as upgrading facades and sidewalks

## FUND DESCRIPTIONS

The Housing Authority budget is a clearinghouse for several Housing Funds.

### Housing Funds

The Housing Funds are comprised of the Chula Vista Housing Authority, CDBG Housing Program Fund and Low and Moderate Housing Fund.

#### Fund 313 Chula Vista Housing Authority

The Chula Vista Housing Authority accounts for all housing related activities not considered eligible for reimbursement by the Low and Moderate Income Housing Fund.

#### Fund 311 CDBG Housing Program Fund

The CDBG Housing Program Fund accounts for the revolving loan program (Community Housing Improvement Program) that lends money to low-income families for housing rehabilitation.

#### Fund 317 Low and Moderate Income Housing Fund

The Low and Moderate Income Housing Fund accounts for the statutorily required 20% set-aside of tax increment revenue earned by the Agency for development of affordable housing.



# HOUSING AUTHORITY

## MISSION STATEMENT

The mission of the Housing Authority is to implement affordable housing programs pursuant to the City's General Plan and Housing Element while also managing the CDBG and HOME programs.

## SUMMARY OF DEPARTMENT RESOURCES

	2005-06 ACTUAL	2006-07 ACTUAL	2007-08 AMENDED	2008-09 PROPOSED
Personnel Services	\$0	\$0	\$653,604	\$823,324
Supplies and Services	\$149,445	\$88,598	\$248,887	\$270,080
Other Expenses	\$444,305	\$475,863	\$1,071,529	\$1,234,254
Operating Capital	\$481,041	\$100,362	\$221,000	\$6,000
Utilities	\$1,589	\$0	\$720	\$800
Transfers Out	\$150,404	\$2,922	\$1,733	\$275,842
Non-CIP Project Expenditures	\$0	\$0	\$5,570,000	\$0
<b>Expenditure Totals</b>	<b>\$1,226,784</b>	<b>\$667,745</b>	<b>\$7,767,473</b>	<b>\$2,610,300</b>
<b>Revenue Totals</b>	<b>\$2,212,008</b>	<b>\$2,753,062</b>	<b>\$3,395,684</b>	<b>\$3,900,931</b>
<b>Authorized Full Time Positions</b>	<b>0.00</b>	<b>0.00</b>	<b>5.00</b>	<b>7.00</b>
<b>Authorized Hourly Positions</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## ORGANIZATIONAL CHART

*Note: Department org charts pending*

# HOUSING AUTHORITY

## STRATEGIC GOALS

### IMPROVING QUALITY OF LIFE

- Ensure a policy framework that addresses the revitalization of western Chula Vista and assists in the creation of housing opportunities for very low, low, and moderate-income families.

**Status:** *The Housing Element was approved by the City Council and State of California in fiscal year 2006-07. The first policy work the Department initiated was the Mobile Home Closure Ordinance. Work on the proposed ordinance paused in the Fall of 2007.*

*In 2007-08 Housing and Redevelopment staff initiated the next phase of policy work to address Inclusionary Housing and Density Bonus. Conclusion of this work will occur in 2008-09.*

- By 2010, create 100 new affordable units, an 8% increase over the existing supply.

**Status:** *Two projects were approved and initiated construction in the 2007-08 fiscal year. One project in the southwest, Los Vecinos, consists of 42 affordable units has removed a blighted motel and will include many sustainable "green" features. Another project in Otay Ranch, The Landings, consists of 92 3 bedroom units. Both projects should be completed in the 2008-09 fiscal year.*

*The City Council approved a condominium conversion in early fiscal year 2007-08. The project will consist of 41 units for moderate-income buyers.*

*And in 2007-08 a contractor was selected to operate the City's Down payment Assistance Program. The program provides proactive home loan counseling and down payment assistance for low-income buyers. A workshop for foreclosure prevention was held in Chula Vista in 2007-08 attended by over 200 people.*

# HOUSING AUTHORITY

## CORE SERVICES

- Affordable housing projects
- Contract administration & monitoring
- Financial reconciliation
- Grant Administration
- Inclusionary housing compliance
- Mobilehome rent review
- Reporting
- Community outreach (bilingual)
- Down payment program
- Funding compliance
- Home rehabilitation program
- Long-range planning for Housing
- New legislation/policy review

## MAJOR ACCOMPLISHMENTS

- Funding for public services that helped over 5,500 Chula Vista residents.
- Rental Assistance provided to 13 households.
- Housing rehabilitation assistance completed for 14 households.
- Affordable housing project (92 units) approved and construction started in Otay Ranch.
- Section 108 loan of \$9.5m secured through the U.S. Dept. of Housing & Urban Development, work on Castle Park Sidewalks started.
- Approved approximately \$5.5 million of Low and Moderate financial assistance to the energy-efficient affordable housing (42 units) project (Los Vecinos) and construction started in SW Chula Vista.



# HOUSING AUTHORITY

## KEY PERFORMANCE MEASURES

	2005-06 ACTUAL	2006-07 ACTUAL	2007-08 ESTIMATED	2008-09 PROJECTED
Public Services number of people served	N/A	N/A	550,000%	550,000%
CHIP Loans Processed	N/A	N/A	40	50
# Affordable housing units monitored/in compliance	N/A	N/A	535	800
# of Affordable housing units built	N/A	N/A	41	134
\$ Low and Moderate Income Housing Fund Revenues	N/A	N/A	\$2,300,000	\$2,700,000
Increase in supply of new affordable housing units	N/A	N/A	42	N/A

CVRC RESOLUTION NO. 2008-

RESOLUTION OF THE CHULA VISTA REDEVELOPMENT CORPORATION MAKING RECOMMENDATION TO THE CHULA VISTA REDEVELOPMENT AGENCY TO ADOPT THE PROPOSED OPERATING AND CAPITAL IMPROVEMENT BUDGET FOR THE REDEVELOPMENT AGENCY AND HOUSING AUTHORITY FOR FISCAL YEAR 2008-09

WHEREAS, the Chula Vista Redevelopment Corporation (CVRC) of the City of Chula Vista has received and considered the Chief Executive Officer's proposed Redevelopment Agency budget for fiscal year 2008-09; and

WHEREAS, a stated specific purpose of the CVRC is the development of recommendations regarding the strategic priorities to be programmed by the Redevelopment Agency of the City of Chula Vista through its annual budget; and

WHEREAS, the proposed annual budget submitted by the Chief Executive Officer has been prepared to provide the necessary funding to accomplish the approved work plan; and

WHEREAS, housing fund expenditures for planning and administration are necessary for the production, improvement or preservation of affordable housing.


NOW, THEREFORE, BE IT RESOLVED that the Chula Vista Redevelopment Corporation does hereby recommend that the Chula Vista Redevelopment Agency adopt the proposed operating and capital improvement budget for the Redevelopment Agency and Housing Authority for Fiscal Year 2008-09.

Presented by:

Approved as to form by

---

Eric Crockett  
Secretary  
Chula Vista Redevelopment Corporation

  
Ann Moore  
General Counsel  
Chula Vista Redevelopment Corporation